Application Portfolio Management Challenges

Applications landscapes evolve to a complex mix of technologies and versions – with high fixed costs. Living with existing applications is a core challenge for organisations.

- Can I increase business value while reducing on-going costs?
- Can I maintain and work with “untouchable” applications as knowledge and skills reduce?
- Can I leverage enterprise value of cloud-computing when constrained by inflexible applications which resist change?
- Can I realise innovative business and application architectures, such as mobile capabilities, when constrained by brittle data and application integration rules and complexity?

Application Portfolio Assessment sets the roadmap

- Reduce fixed IT costs to manage existing applications
- Identify gaps and issues in application and information architecture
- Align IT investments to critical business objectives
- Shorten time to realise business value through improved flexibility
- Enable migration to strategic environments, e.g. cloud computing
- Radical simplification of the applications and data architecture
- Enable integration with key and emerging business technology solutions, e.g. social and mobile computing

IBM’s own experiences of APM highlight potential benefits

Thousands of applications, millions of lines of code, hundreds of thousands of files, databases, pages, screens and reports.
Benefits achieved

- Reduced number of applications:
  - 1998 - 15,000 applications
  - 2011 - 5,000 applications
- Reduced maintenance costs - through application modernisation:
  - Defects down by over 55%
  - Maintenance cost down 20%
- Reduced data centres
  - 155 down to 11

<table>
<thead>
<tr>
<th>High business value &amp; strategic</th>
<th>Silver</th>
<th>Gold</th>
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<tbody>
<tr>
<td>Low business value &amp; strategic</td>
<td>Blue</td>
<td>Bronze</td>
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<tr>
<td>Low criticality</td>
<td>High criticality</td>
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IBM’s APM approach

- Application Portfolio Assessment establishes a clear, common language for value ranking of the portfolio, based on key business and IT characteristics.

- It provides the crucial information required to drive out opportunities for improvement, including retiring low business value applications.

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<tr>
<th>Phase</th>
<th>Planning &amp; discovery</th>
<th>Data collection &amp; verification</th>
<th>Data analysis</th>
<th>Opportunity identification</th>
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<td>Identify applications in scope</td>
<td>Review business and application strategies</td>
<td>Review business data via questionnaires, interviews and documents</td>
<td>Review and assess compiled information</td>
<td>Identify a prioritised set of application opportunities that address key business objectives</td>
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<td>Gather materials</td>
<td>Gather application data via questionnaires, interviews and documents</td>
<td>Score applications within consistent enterprise-wide view</td>
<td>Draft initial set of issues and improvement hypotheses</td>
<td>Prioritise and qualify benefits of high value opportunities</td>
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**For more information**

To learn more, please call us on +44 (0)2392 283014

Or visit:

ibm.com/services/uk/gbs/accelerate/

IBM’s method and solutions have been refined by extensive client experience and our own application portfolio management experience.

We have invested in proven methods and tools for APM and application modernisation, together with dedicated skills and commitment based delivery processes.

Our approach can be flexed to meet the need of the client and adjusted to the dimensions of the application estate, with different variations depending on size and timescale parameters.

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